

Senate Finance Committee Decision Document
 Senator Taylor, Workgroup Chair on Article III
 Members: Senators Bettencourt, Perry, and West

Decisions as of March 25, 2019, 6:00 pm

LBB Manager: Andy MacLaurin

Article III Public Education Total, Article III Public Education Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2020-21 Biennial Total		Pended Items 2020-21 Biennial Total		Adopted 2020-21 Biennial Total		Article XI 2020-21 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
Texas Education Agency (703)								
Total, Outstanding Items / Tentative Decisions	\$ 115,012,054	\$ 115,012,054	\$ -	\$ -	\$ 3,059,528,809	\$ 3,059,528,809	\$ 26,250,000	\$ 26,250,000
Total, Full-time Equivalents / Tentative Decisions	6.0	6.0	0.0	0.0	12.0	12.0	4.0	4.0
Texas School for the Blind and Visually Impaired (771)								
Total, Outstanding Items / Tentative Decisions	\$ 6,768,516	\$ 6,768,516	\$ -	\$ -	\$ 641,287	\$ 641,287	\$ -	\$ -
Total, Full-time Equivalents / Tentative Decisions	6.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0
Texas School for the Deaf (772)								
Total, Outstanding Items / Tentative Decisions	\$ 29,837,059	\$ 29,837,059	\$ -	\$ -	\$ 11,183,941	\$ 11,183,941	\$ -	\$ -
Total, Full-time Equivalents / Tentative Decisions	14.1	14.1	0.0	0.0	3.0	3.0	0.0	0.0
Special Provisions for the School for the Blind and Visually Impaired and School for the Deaf (S20)								
Total, Outstanding Items / Tentative Decisions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Teacher Retirement System (323)								
Total, Outstanding Items / Tentative Decisions	\$ 1,088,967,411	\$ 1,123,767,411	\$ -	\$ -	\$ -	\$ 34,800,000	\$ -	\$ -
Total, Full-time Equivalents / Tentative Decisions	0.0	127.0	0.0	0.0	0.0	127.0	0.0	0.0
Optional Retirement Program (32C)								
Total, Outstanding Items / Tentative Decisions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Article III Public Education Total, Article III Public Education Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2020-21 Biennial Total		Pended Items 2020-21 Biennial Total		Adopted 2020-21 Biennial Total		Article XI 2020-21 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
Total, Outstanding Items / Tentative Decisions	\$ 1,240,585,040	\$ 1,275,385,040	\$ -	\$ -	\$ 3,071,354,037	\$ 3,106,154,037	\$ 26,250,000	\$ 26,250,000
Total GR & GR-Ded Adopted Items less Cost-out Adjustments	\$ 1,240,585,040	\$ 1,275,385,040	\$ -	\$ -	\$ 3,071,354,037	\$ 3,106,154,037	\$ 26,250,000	\$ 26,250,000
	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021
Total, Full-time Equivalents / Tentative Decisions	26.1	153.1	0.0	0.0	15.0	142.0	4.0	4.0

Article III Public Education Texas Education Agency (703) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2020-21 Biennial Total		Pended Items 2020-21 Biennial Total		Adopted 2020-21 Biennial Total		Article XI 2020-21 Biennial Total	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
Technical Adjustments:								
1. Update Rider 24, Appropriations Limited Revenue Collections, to reflect updated estimates of other direct and indirect costs. Fiscal year 2020 will be changed from \$3,172,180 to \$2,722,435, and fiscal year 2021 will be changed from \$3,150,581 to \$2,718,914.						Adopt		
Agency Requests:								
1. TEA's Safe and Healthy Schools Initiative was developed in response to school shootings in Santa Fe and other communities. The initiative would have the following components: (1) mental health supports and positive school culture (\$37.0 million and 6.0 FTEs); (2) facility safety and hardening (\$10.0 million); (3) emergency response coordination and auditing (\$2.5 million); and (4) school health and safety pilot grants (\$5.0 million). Senate Bill 500 as Introduced provides \$100.0 million to school districts and charters for hardening of school facilities.	\$ 54,478,500	\$ 54,478,500					\$ 26,250,000	\$ 26,250,000
2. Special Education Supports: Grants to LEAs for compensatory services to students with special education needs. These funds would provide school districts with additional resources to support compensatory services for students who became eligible for special education services as a result of TEA's corrective action plan.	\$ 50,478,500	\$ 50,478,500			\$ 50,478,500	\$50,478,500		

Article III Public Education Texas Education Agency (703) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 <u>2020-21 Biennial Total</u>		Pended Items <u>2020-21 Biennial Total</u>		Adopted <u>2020-21 Biennial Total</u>		Article XI <u>2020-21 Biennial Total</u>	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
3. Windham School District Program Expansion: Funding initiatives include: a six percent teacher/staff pay raise (\$5.5 million), expanding female offender vocational programs (\$2.3 million), increased funding for industry certification programs (\$0.6 million), year-round school programming (\$1.0 million), and expanding apprenticeship programs (\$0.7 million). Senate Bill 1 as Introduced provides \$104.4 million in General Revenue Funds in the 2020-21 biennium for Windham School District.	\$ 10,055,054	\$ 10,055,054			\$6,260,936 General Revenue adopted, which is Windham's exceptional item request, excluding pay raises for teachers and librarians. For teachers and librarians, adopt SB 3 salary increase rider amended to specifically include both categories for both JJD and Windham.			
4. Rider Request: The agency requests amendment of Rider 3, Foundation School Program Funding, to authorize the Commissioner to transfer FSP funds from the second year of the biennium to the first to the extent necessary to avoid reductions in state aid.					Adopt			
5. Rider Request: The agency requests amendment of Rider 39, Capital Budget Expenditures from Federal and Other Funding Sources, exempting TEA from Article IX capital budget limitations for major state data system revision projects to broaden its applicability to any projects.								
6. Rider Request: New rider that would provide the agency with authority to transfer federal funds from a non-capital budget item to an existing or new capital budget item for the implementation of a unanticipated project, provided that the new project is 100 percent federally funded.								

Article III Public Education Texas Education Agency (703) Items Not Included in Bill as Introduced		Outstanding Items for Consideration				Tentative Workgroup Decisions			
		Items Not Included in SB 1 2020-21 Biennial Total		Pended Items 2020-21 Biennial Total		Adopted 2020-21 Biennial Total		Article XI 2020-21 Biennial Total	
		GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
7.	Rider Request: Agency requests unexpended balance authority within the biennium for several non-FSP programs.					Adopt			
8.	Exempt Salary Request: The agency requests authority, but no associated funding, to increase the salary of the agency's Chief Investment Officer from \$384,375, to \$416,401.								
Workgroup Revisions and Additions:									
1.	Add \$3.0 billion to the \$6.0 billion in SB 1 as Introduced (for a total of \$9.0 billion) above current law requirements for teacher and school librarian salary increases, property tax relief, and public education funding, contingent on enactment of legislation making such changes.								
1a.	An additional \$293.2 million (a total of \$4.0 billion) is provided for a \$5,000 annual across-the-board salary increase for teachers and school librarians. This increase is provided to the Teacher Retirement System for the state's contribution for the benefits associated with this salary increase.					\$ 293,179,373	\$ 293,179,373		
1b.	An increase of \$400.0 million (a total of \$2.7 billion) is provided to implement legislation providing property tax relief and reducing recapture.					\$ 400,000,000	\$ 400,000,000		
1c.	\$2.3 billion is provided to deliver additional state funding for public education.					\$ 2,300,000,000	\$ 2,300,000,000		

Article III Public Education Texas Education Agency (703) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2020-21 Biennial Total		Pended Items 2020-21 Biennial Total		Adopted 2020-21 Biennial Total		Article XI 2020-21 Biennial Total	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
2. Increase biennial funding for Best Buddies, a program providing mentoring to students with intellectual and developmental disabilities, from \$400,000 to \$500,000.					\$ 100,000	\$ 100,000		
3. Increase biennial funding for the Adult Charter School by \$5.5 million, amend the applicable rider to specify that the funding pertains only to the adult charter school currently operating, and provided unexpended balance authority within the biennium. The Adult Charter School Program provides graduates between the ages of 18 to 50 with a high school diploma.					\$ 5,500,000	\$ 5,500,000		
4. Increase biennial funding for Amachi, a program which provides mentoring to children ages 6 to 14 with incarcerated parents, from \$1.3 million to \$2.0 million.					\$ 700,000	\$ 700,000		
5. Increase biennial funding for the Texas Advanced Placement Initiative from \$14.6 million to \$18.5 million. The Initiative subsidizes examination fees for students with financial need and provides teacher training reimbursements.					\$ 3,900,000	\$ 3,900,000		
6. Workgroup added 12.0 FTEs and a rider moving currently certainly outsourced software maintenance services in-house to TEA. Savings reflected at TEA will be partially offset by increased benefits costs, bringing the biennial net General Revenue savings associated with the decision to \$246,000.					\$ (590,000)	\$ (590,000)		

Article III Public Education Texas Education Agency (703) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 <u>2020-21 Biennial Total</u>		Pended Items <u>2020-21 Biennial Total</u>		Adopted <u>2020-21 Biennial Total</u>		Article XI <u>2020-21 Biennial Total</u>	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
7. Amended Rider 17, Professional Development for the Provision of Access to the General Curriculum for Students with Disabilities in the Least Restrictive Environment, to require TEA to report certain information regarding IDEA, Part B funds to the LBB on an annual basis.					Adopt			
Total, Outstanding Items / Tentative Decisions	\$ 115,012,054	\$ 115,012,054	\$ -	\$ -	\$ 3,059,528,809	\$ 3,059,528,809	\$ 26,250,000	\$ 26,250,000
	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021
Total, Full-time Equivalent / Tentative Decisions	6.0	6.0	0.0	0.0	12.0	12.0	4.0	4.0

Article III Public Education Texas School for the Blind and Visually Impaired (771) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2020-21 Biennial Total		Pended Items 2020-21 Biennial Total		Adopted 2020-21 Biennial Total		Article XI 2020-21 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
Agency Requests:								
1. General Revenue Operating Funding - GR to replace Appropriated Receipt base funding for residential programming, short-term programs, related and support services, statewide outreach, and campus operations. During the 2018-19 biennium, the agency collected \$3.7 million less in Appropriated Receipts than were estimated in the 2018-19 GAA. Senate Bill 1 includes 2020-21 Appropriated Receipts funding at the actual collected 2018-19 levels. The agency has offset some of this decrease by drawing additional trust funds and is requesting GR funding to replace the remaining difference.	\$ 3,000,000	\$ 3,000,000						
2. Salary Increases for Direct Care Employees - Funding for an average 10.0 percent pay increase for Residential Specialists, Teacher Aides, and Nurses to decrease turnover and fill vacancies. (The agency indicates turnover rates for Teacher Aides and Residential Specialists II and IV are 18.9 percent, 15.0 percent, and 18.2 percent, respectively.)	\$ 1,282,574	\$ 1,282,574			\$ 641,287	\$ 641,287		
3. Campus Safety and Security - Funding for security and safety upgrades, including security cameras, security utility vehicles, communications equipment, fencing and gate upgrades, rekeying of the campus, lighting upgrades, and cybersecurity hardware and software.	\$ 753,500	\$ 753,500						
4. CAPPs Implementation - Additional 6.0 FTEs in accounting, budget, procurement, and IT departments for transition to CAPPs financials.	\$ 732,442	\$ 732,442						

Article III Public Education Texas School for the Blind and Visually Impaired (771) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
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	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
5. Rider Request: Amend Rider 5, Cash Flow Contingency, and appropriate additional GR each fiscal year in of the 2020-21 biennium for TSBVI to use temporarily while waiting for federal reimbursement. Current rider only allows transfers of existing GR from the second to first year of the biennium and repays the transferred amount with federal reimbursements.	\$ 1,000,000	\$ 1,000,000						
Workgroup Revisions and Additions:								
1. The Workgroup added a rider specifying that the adopted salary increase for direct care employees may not be used for any other purpose.					Adopt			
Total, Outstanding Items / Tentative Decisions	\$ 6,768,516	\$ 6,768,516	\$ -	\$ -	\$ 641,287	\$ 641,287	\$ -	\$ -
	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021
Total, Full-time Equivalent / Tentative Decisions	6.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0

Article III Public Education Texas School for the Deaf (772) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2020-21 Biennial Total		Pended Items 2020-21 Biennial Total		Adopted 2020-21 Biennial Total		Article XI 2020-21 Biennial Total	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
Agency Requests:								
1. Additional Staff for Special Education Direct Services and Safety: The agency requests additional staff for classroom instruction, direct student support, and school safety. TSD requests 8.2 FTEs and \$952,522 for nine additional teaching and special education support staff. For school safety, agency requests \$718,539 for 5.9 additional FTEs, including a campus safety and risk management director, school resource and security officers, and a mental health counselor.	\$ 1,671,062	\$ 1,671,062			\$317,507 for 3.0 special education direct services staff only			
2. Campus Security Equipment and Furniture: Agency requests \$600,000 to replace student dorm and classroom furniture, \$500,000 for furniture for the newly constructed Toddler Learning Center and Central Services Building, and \$335,000 for security equipment, including door locks, electronic key-card access, cameras, and communication equipment. From the amounts requested in this item, \$325,000 would be transferred to the Texas Facilities Commission, which manages TSD facilities.	\$ 1,435,000	\$ 1,435,000			\$275,000 for furniture only			
3. Transportation Items: TSD requests \$45,000 for vehicles, including \$20,000 for one utility truck and \$25,000 to purchase a 77-passenger school bus for daily transportation of local students. Senate Bill 1 continues base GR funding of \$225,000, which is \$25,000 less than the cost of two 77-passenger vehicles TSD reports needing replacement in the upcoming biennium.	\$ 45,000	\$ 45,000			\$ 45,000	\$ 45,000		

Article III Public Education Texas School for the Deaf (772) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2020-21 Biennial Total		Pended Items 2020-21 Biennial Total		Adopted 2020-21 Biennial Total		Article XI 2020-21 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
4. Staff Salary Increase: Agency requests \$580,788 to grant 5 percent across-the-board salary increases to bus drivers, day and night residential educators, cafeteria, behavior support, teacher aides, security, and IT staff. According to TSD, current turnover rates for those employees are 15.4 percent, 29.0 percent, 28.6 percent, 26.3 percent, 14.3 percent, 10.8 percent, and 29.6 percent, respectively.	\$ 580,788	\$ 580,788			\$ 580,788	\$ 580,788		
5. Master Plan Phase 2, New and Repurposed Facilities: TSD requests \$2,277,913 for Career and Technology (CTE) program classroom expansion, \$4,898,849 for rehabilitation of the Clinger Elementary Multipurpose Activity Space, \$9,258,959 for renovation of the Seeger Gymnasium, \$6,880,604 for construction of transitional housing for students aged 18-22, and \$2,788,884 for improvements to pedestrian and vehicle traffic circulation on campus. Master Plan Phase 1 projects, including the Toddler Learning Center and Central Services Building, were funded with \$14.6 million in Economic Stabilization Funds in the 2018-19 biennium. If the 2020-21 request is funded, amounts would be transferred to Texas Facilities Commission (TFC), which manages TSD facilities. Adopted amounts will be transferred to the Texas Facilities Commission (TFC), which manages TSD facilities.	\$ 26,105,209	\$ 26,105,209			\$ 9,965,646	\$ 9,965,646		
6. Exempt Salary Request: The agency requests an authority only increase in the Superintendent's salary cap from \$148,908 (Group 4) to \$171,688 (Group 5).								

Article III Public Education Texas School for the Deaf (772) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2020-21 Biennial Total		Pended Items 2020-21 Biennial Total		Adopted 2020-21 Biennial Total		Article XI 2020-21 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
Workgroup Revisions and Additions:								
1. The Workgroup added riders specifying that the adopted salary increase for certain employees and the funding for 3.0 additional FTEs may not be used for any other purpose.					Adopt			
Total, Outstanding Items / Tentative Decisions	\$ 29,837,059	\$ 29,837,059	\$ -	\$ -	\$ 11,183,941	\$ 11,183,941	\$ -	\$ -
	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021
Total, Full-time Equivalent / Tentative Decisions	14.1	14.1	0.0	0.0	3.0	3.0	0.0	0.0

Article III Public Education Special Provisions for the School for the Blind and Visually Impaired and the School for the Deaf (S20) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2020-21 Biennial Total		Pended Items 2020-21 Biennial Total		Adopted 2020-21 Biennial Total		Article XI 2020-21 Biennial Total	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
Workgroup Revisions and Additions:								
1. Added a new rider, Prepayment of SWCAP Facilities Payments, specifying that any Statewide Cost Allocation Plan (SWCAP) costs assessed to either TSBVI or TSD for Texas Facilities Commission planning or real estate management are considered paid in full for the purpose of reimbursing General Revenue for statewide allocated costs.					Adopt			
Total, Outstanding Items / Tentative Decisions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Article III Public Education Teacher Retirement System (323) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2020-21 Biennial Total		Pended Items 2020-21 Biennial Total		Adopted 2020-21 Biennial Total		Article XI 2020-21 Biennial Total	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
Agency Requests:								
1. Retirement Contribution Rate Increase. Funding sufficient to provide a cumulative 1.82 contribution rate increase in the 2020-21 biennium to make the Pension Trust Fund actuarially sound. (Note: \$1.1 billion request reflects TRS' estimate of the GR cost of the requested state contribution rate increase.)	\$ 1,088,967,411	\$ 1,088,967,411						
2. Investment Management Staff. Agency requests \$10.5 million in Pension Trust Funds (Other Funds) for 30.0 additional FTEs related to investment management.		\$ 10,500,000				\$ 10,500,000		
3a. Customer Service and Administrative Support Staff: The agency requests \$16.0 million in Pension Trust Funds (Other Funds) for 97.0 additional FTEs, including 75.0 FTEs for Administrative Support and 22.0 for Benefits Services. Recommendations in Senate Bill 1 as Introduced include an increase of 14.0 FTEs for Administrative Support and 29.0 FTEs for Benefits Services that were approved by the TRS Board during the 2018-19 biennium.		\$ 16,000,000				\$ 16,000,000		
3b. Building Renovation: TRS requests \$3.0 million in Pension Trust Funds (Other Funds) for renovation of the agency's headquarters to consolidate call center operations.		\$ 3,000,000				\$ 3,000,000		
4. New Rider Request: Augmenting Customer Service Delivery and Investment Trust Performance. TRS requests a new rider authorizing the agency to increase its FTE count above the GAA limitation by fiduciary finding of the TRS Board. Rider would require TRS to provide justification for FTEs and annual progress reports to LBB and the Governor.						Adopt		

Article III Public Education Teacher Retirement System (323) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2020-21 Biennial Total		Pended Items 2020-21 Biennial Total		Adopted 2020-21 Biennial Total		Article XI 2020-21 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
5. New Rider Request and Appropriation: Unexpended Balance for Pension Trust Fund Capital Budget Items. Agency requests new rider granting UB authority of Pension Trust Funds remaining as of August 31, 2018 for capital budget projects, including the TEAM Program and CAPPs - Enterprise Resource Planning (ERP) funded in the 2018-19 GAA. Current UB estimates are \$500,000 for CAPPs and \$4.8 million for TEAM.		\$ 5,300,000				\$ 5,300,000		
Workgroup Revisions and Additions:								
1. The Workgroup added riders specifying additional amounts appropriated for TRS retirement and for TRS-Care contingent on enactment of SB 3.					Adopt			
Total, Outstanding Items / Tentative Decisions	\$ 1,088,967,411	\$ 1,123,767,411	\$ -	\$ -	\$ -	\$ 34,800,000	\$ -	\$ -
	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021
Total, Full-time Equivalent / Tentative Decisions	0.0	127.0	0.0	0.0	0.0	127.0	0.0	0.0

Article III Public Education Optional Retirement Program (32C) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 <u>2020-21 Biennial Total</u>		Pended Items <u>2020-21 Biennial Total</u>		Adopted <u>2020-21 Biennial Total</u>		Article XI <u>2020-21 Biennial Total</u>	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
Agency Requests:								
1. None.								
Workgroup Revisions and Additions:								
1. None.								
Total, Outstanding Items / Tentative Decisions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Article III Public Education	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021
Total, Full-time Equivalent / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

By: Taylor

Texas Education Agency, Article III
Proposed Rider Revisions, New Rider and Funding
Contingent Appropriations for Teacher Salary Increase, Property Tax Relief, and
Additional Funding for Public Education

Prepared by LBB Staff, 3/26/19

Overview

This motion:

1. Increases the contingent appropriation for providing property tax relief from \$2.3 billion to \$2.7 billion;
2. Increases the contingent appropriation for classroom teacher salary increases from \$3.7 billion to \$4.0 billion; and
3. Adds an appropriation of \$2.3 billion and a directive rider for additional funding for public education, contingent on legislation making changes to the school finance system.

Required Action

- 1) On page III-27 of the Texas Education Agency bill pattern, amend the following rider:

75. Contingent Appropriation Providing Property Tax Relief. In addition to amounts appropriated above, and contingent on enactment of legislation providing property tax relief and reducing reliance on recapture paid by school districts, by the Eighty-sixth Legislature, Regular Session, the Texas Education Agency is appropriated ~~\$2,300,000,000~~2,700,000,000 in the 2020-21 biennium from the General Revenue Fund. This funding is to be distributed in a manner to be determined by the legislation for the purposes of implementing the provisions of the legislation.

- 2) On page III-27 of the Texas Education Agency bill pattern, amend the following rider:

76. Contingent Appropriation of \$4.0 billion for Senate Bill 3 Classroom Teacher and School Librarian Salary Increases. In addition to amounts appropriated above, and contingent on enactment of Senate Bill 3 or similar legislation providing a classroom teacher and school librarian salary increase by the Eighty-sixth Legislature, Regular Session, the Texas Education Agency is appropriated \$3,700,000,000 in the 2020-21 biennium from the General Revenue Fund. Of this amount, \$3,275,000 shall be used in each fiscal year of the biennium to provide a salary increase for Windham School District teachers and librarians, and \$675,000 shall be transferred to the Texas Juvenile Justice Department to provide a salary increase for teachers and librarians. ~~This funding~~ is Remaining funds are to be distributed to school districts and charter schools in a manner to be determined by the legislation for the purpose of increasing classroom teacher salaries.

In addition to the amounts appropriated to the Texas Education Agency in this rider, and contingent on enactment of Senate Bill 3 or similar legislation providing a classroom teacher and school librarian salary increase by the Eighty-sixth Legislature, Regular Session, appropriations made elsewhere in this Act to the Teacher Retirement System include a total of \$293,179,373 in General Revenue Funds for the state contribution for retirement and retiree health care benefits associated with the salary increases in the legislation.

- 3) On page III-27 of the Texas Education Agency bill pattern, add the following new rider:

_____.
Contingent Appropriation for Additional Public Education Funding. In addition to amounts appropriated above, and contingent on enactment of legislation making changes to the school finance system to deliver additional state funding for public education, by the Eighty-sixth Legislature, Regular Session, the Texas Education Agency is appropriated \$2,300,000,000 in the 2020-21 biennium from the General Revenue Fund. This funding is to be distributed in a manner to be determined by the legislation for the purposes of implementing the provisions of the legislation.

By: Taylor

Texas Education Agency, Article III
Proposed Funding and Rider
Realizing General Revenue Savings Through the Insourcing of
Software Application Maintenance at the Texas Education Agency

Prepared by LBB Staff, 3/22/19

Overview

Add a rider directing the Texas Education Agency (TEA) to move certain currently outsourced software maintenance in-house at a lower cost to the state.

The total net General Revenue savings to the state is estimated to be \$123,000 per fiscal year of the 2020-2021 biennium after accounting for the General Revenue portion of fringe benefits paid by the Comptroller. (TEA projects the total cost of benefits to be up to \$405,000 per year in All Funds, including up to \$172,000 per year in General Revenue.)

Required Action

On page III-2 of the Texas Education Agency bill pattern, reduce Strategy B.3.5, Information Systems – Technology, by \$295,000 in General Revenue Funds in each fiscal year of the biennium.

On page III-1 of the Texas Education Agency bill pattern, increase Number of Full-Time-Equivalents (FTE) by 12.0 in each fiscal year of the biennium.

On page III-27 of the Texas Education Agency bill pattern, add the following rider:

_____. **Administrative Cost Savings Through Strategic Insourcing.** It is the intent of the Legislature that the Texas Education Agency shall internally provide previously contracted maintenance services for certain software applications. Accordingly, included in appropriations above in Strategy B.3.5, Information Systems – Technology, are reductions of \$295,000 from the General Revenue Fund in each fiscal year of the biennium, and included in the Number of Full-Time Equivalents (FTE) listed above is an increase of 12.0 in each fiscal year of the biennium. The purpose of these changes is to reduce costs associated with contracted services for software application maintenance by bringing these functions in-house to be accomplished by Texas Education Agency employees. A portion of the reduction in General Revenue savings is expected to be offset by increased costs associated with employee benefits.

Texas Education Agency, Article III
Proposed Rider
Adding a Reporting Requirement to TEA Rider 17

Prepared by LBB Staff, 3/11/19

Overview

This rider amendment would add a reporting requirement to TEA Rider 17, Professional Development for the Provision of Access to the General Curriculum for Students with Disabilities in the Least Restrictive Environment. The intent of this reporting requirement would be ensuring agency compliance with the requirement that 10.5 percent of the agency's IDEA, Part B set-aside should be used for certain capacity building projects. In fiscal year 2020 and fiscal year 2021, TEA would be required to report the following information to the Legislative Budget Board:

- The total amount of funds awarded to the Texas Education Agency through IDEA, Part B;
- The amount of IDEA, Part B funds set aside and reserved for state-level activities; and
- The amount of funds set aside to fund capacity building projects for the provision of access to the general curriculum for students with disabilities and Response to Intervention (RtI) processes for struggling learners in general education settings.

Required Action

On pages III-10 and III-11 of the Texas Education Agency bill pattern, amend the following rider:

17. **Professional Development for the Provision of Access to the General Curriculum for Students with Disabilities in the Least Restrictive Environment.** Out of the federal discretionary funds awarded to the Texas Education Agency (TEA) through the Individuals with Disabilities Education Act (IDEA), Part B, which are set aside and reserved for state-level activities, and appropriated above, the Commissioner shall set aside 10.5 percent during the biennium to fund capacity building projects, including professional development and support, for school districts to provide access to the general curriculum in the least restrictive environment for students with disabilities and Response to Intervention (RtI) processes for struggling learners in general education settings.

For each year of the biennium, TEA shall report to the Legislative Budget Board (LBB):

1. The total amount awarded to the Texas Education Agency through IDEA, part B;
2. The amount of IDEA, Part B funds set aside and reserved for state-level activities; and
3. The amount of funds set aside to fund capacity building projects, including professional development and support, for school districts to provide access to the general curriculum in the least restrictive environment for students with disabilities and RtI processes for struggling learners in general education settings, as required by this rider.

The report summarizing the above information for the 2020 fiscal year shall be submitted by August 31, 2020. The report summarizing the above information for the 2021 fiscal year shall be submitted by August 31, 2021.

By: _____

School for the Blind and Visually Impaired, Article III

Proposed Funding and Rider

Direct Care Employee Salary Increases

Prepared by LBB Staff, 3/14/2019

Overview

Prepare a rider adding \$641,287 in General Revenue above the line for pay increases for Residential Specialists, Teacher Aides, and Nurses.

Required Action

1. On page III-27, in Strategy A.1.1, Classroom Instruction, add \$67,325 in General Revenue Funds each fiscal year.
2. On page III-27, in Strategy A.1.2, Residential Program, add \$180,165 in General Revenue Funds in fiscal year 2020 and \$180,166 in General Revenue Funds in fiscal year 2021.
3. On page III-27, in Strategy A.1.3, Short-term Programs, add \$9,751 in General Revenue Funds each fiscal year.
4. On page III-27, in Strategy A.1.4, Related and Support Services, add \$63,402 in General Revenue Funds each fiscal year.
5. On page III-31 of the School for the Blind and Visually Impaired bill pattern, add the following rider:

_____.

Salary Increase for Direct Care Employees. Included in amounts appropriated above are the following amounts from the General Revenue Fund to provide salary increases for residential specialists, teacher aides, and nurses: in Strategy A.1.1, Classroom Instruction, \$67,325 in each fiscal year of the 2020-21 biennium; in Strategy A.1.2, Residential Program, \$180,165 in fiscal year 2020 and \$180,166 in fiscal year 2021; in Strategy A.1.3, Short-term Programs, \$9,751 in each fiscal year of the 2020-21 biennium; and in Strategy A.1.4, Related and Support Services, \$63,402 in each fiscal year of the 2020-21 biennium. Notwithstanding any other provision of this Act, the funds may not be expended for other purposes.

By: _____

School for the Deaf, Article III
Proposed Funding and Rider
Special Education Teaching and Direct Student Services Staff

Prepared by LBB Staff, 3/14/2019

Overview

Prepare a rider appropriating \$317,507 in General Revenue and 3.0 FTEs above the line for additional special education teachers and direct student support.

Required Action

1. On page III-31, in Strategy A.1.1, Classroom Instruction, add \$56,390 in General Revenue Funds in fiscal year 2020, \$56,391 in General Revenue Funds in fiscal year 2021, and 1.0 FTE in each fiscal year.
2. On page III-31, in Strategy A.1.3, Related and Support Services, add \$102,363 in General Revenue Funds and 2.0 FTEs each fiscal year.
3. On page III-35 of the School for the Deaf bill pattern, add the following rider:

_____ **Funding for Special Education Teaching and Direct Student Services Staff.**

Included in amounts appropriated above are \$158,753 in General Revenue Funds in fiscal year 2020, \$158,754 in General Revenue Funds in fiscal year 2021, and 3.0 FTEs each fiscal year for additional special education teaching and direct student services staff. Notwithstanding any other provision of this Act, the funds may not be expended for other purposes.

By: _____

School for the Deaf, Article III
Proposed Funding and Rider
Direct Care Employee Salary Increases

Prepared by LBB Staff, 3/14/2019

Overview

Prepare a rider adding \$580,788 in General Revenue above the line for pay increases for bus drivers, day and night residential educators, cafeteria staff, behavior support staff, teacher aides, security staff, and IT staff.

Required Action

1. On page III-31, in Strategy A.1.1, Classroom Instruction, add \$61,944 in General Revenue Funds each fiscal year.
2. On page III-31, in Strategy A.1.2, Residential Program, add \$124,623 in General Revenue Funds each fiscal year.
3. On page III-31, in Strategy A.1.3, Related and Support Services, add \$64,918 in General Revenue Funds each fiscal year.
4. On page III-31, in Strategy A.1.5, Student Transportation, add \$21,909 in General Revenue Funds each fiscal year.
5. On page III-31, in Strategy D.1.2, Other Support Services, add \$17,000 in General Revenue Funds each fiscal year.
6. On page III-35 of the School for the Deaf bill pattern, add the following rider:

_____. **Salary Increase for Direct Care Employees.** Included in amounts appropriated above are the following amounts from the General Revenue Fund to provide salary increases for bus drivers, day and night residential educators, cafeteria staff, behavior support staff, teacher aides, security staff, and IT staff: in Strategy A.1.1, Classroom Instruction, \$61,944 in each fiscal year of the 2020-21 biennium; in Strategy A.1.2, Residential Program, \$124,623 in each fiscal year of the 2020-21 biennium; in Strategy A.1.3, Related and Support Services, \$64,918 in each fiscal year of the 2020-21 biennium; in Strategy A.1.5, Student Transportation, \$21,909 in each fiscal year of the 2020-21 biennium; and in Strategy D.1.2, Other Support Services, \$17,000 in each fiscal year of the 2020-21 biennium. Notwithstanding any other provision of this Act, the funds may not be expended for other purposes.

By: _____

School for the Deaf, Article III
Proposed Funding and Rider
Transfer of Facilities Funding to TFC

Prepared by LBB Staff, 3/21/19

Overview

Prepare a rider transferring \$9,965,646 in General Revenue Funds from the School for the Deaf (TSD) to the Facilities Commission (TFC) for construction and rehabilitation of TSD facilities.

Required Action

On page III-35 of the School for the Deaf (TSD) bill pattern, add the following rider:

_____. **Transfer of Funds to the Texas Facilities Commission.** In accordance with Education Code Chapter 30 and Government Code Chapter 2165, out of amounts appropriated above in Strategy D.1.3, Facility Construction, Repair and Rehabilitation, \$9,965,646 in General Revenue Funds shall be transferred in fiscal year 2020 to the Texas Facilities Commission for Career and Technology Education (CTE) classroom expansion, rehabilitation of the Clinger Elementary Multipurpose Activity Space, and campus traffic circulation improvements, as described in the Texas Facilities Commission's Campus Master Plan for Texas School for the Deaf. Of the \$10.0 million, \$2,277,913 shall be used for CTE classroom expansion, \$4,898,849 shall be used for the Clinger Elementary Multipurpose Activity Space, and \$2,788,884 shall be used for campus traffic circulation.

By: _____

Special Provisions for the School for the Blind and Visually Impaired and School for the Deaf, Article III

Proposed Rider SWCAP Facilities Prepayment

Prepared by LBB Staff, 3/5/2019

Overview

Prepare a rider which provides that allocations of costs for Texas Facilities Commission (TFC) services to the School for the Blind and Visually Impaired (TSBVI) and School for the Deaf (TSD) through the Statewide Cost Allocation Plan (SWCAP) are considered paid in full pursuant to prior transfers of appropriations from TSBVI and TSD to TFC.

Required Action

On page III-36 of the Special Provisions for the School for the Blind and Visually Impaired and School for the Deaf bill pattern, add the following rider:

_____. **Prepayment of SWCAP Facilities Payments.** Pursuant to Senate Bill 1457, Eighty-third Legislature, Regular Session, 2013, and Senate Bill 836, Eighty-fourth Legislature, Regular Session, 2015, transferring all duties, appropriations, and full-time-equivalent positions related to the management of physical facilities from the School for the Blind and Visually Impaired (TSBVI) and the School for the Deaf (TSD) to the Facilities Commission (TFC), any costs for TFC planning or real estate management assessed to TSBVI and TSD through the Statewide Cost Allocation Plan (SWCAP) under Government Code Chapter 2106, and Article IX, Sec. 15.04, are considered paid in full for purposes of reimbursing General Revenue for statewide allocated costs.

By: _____

Teacher Retirement System, Article III

Proposed Rider and Funding Contingency for Teacher Salary Increase

Prepared by LBB Staff, 3/15/2019

Overview

Prepare the following rider to implement SB 3, or similar legislation, contingent upon its enactment. The rider appropriates below the line an estimated \$293,179,373 from General Revenue Funds to the Teacher Retirement System (TRS) Public Education Retirement.

Required Actions

1. On page III-38 amend Rider 4 as follows:

4. **State Contribution to Teacher Retirement Program.** The amounts specified above in Strategy A.1.1, TRS-Public Education Retirement, \$1,838,552,963 in fiscal year 2020 and \$1,908,574,620 in fiscal year 2021, and A.1.2, TRS-Higher Education Retirement, \$179,233,677 in fiscal year 2020 and \$189,244,210 in fiscal year 2021 are based on a state contribution of 6.8 percent of payroll in each year of the 2020-21 biennium, estimated.

Contingent on the enactment of Senate Bill 3, or similar legislation relating to additional funding to school districts for classroom teacher and librarian salaries, by the Eighty-sixth Legislature, Regular Session, in addition to amounts appropriated above, TRS is appropriated in Strategy A.1.1, TRS-Public Education Retirement, \$123,086,936 in General Revenue Funds in fiscal year 2020 and \$124,638,118 in General Revenue Funds in fiscal year 2021, estimated, to provide state retirement contributions for additional public education payroll amounts, pursuant to the legislation.

2. On page III-38 amend Rider 5 as follows:

5. **State Contribution to Texas Public School Retired Employees Group Insurance Program.** The amounts specified above in Strategy A.2.1, Retiree Health-Statutory Funds, \$430,408,362 in fiscal year 2020 and \$448,951,215 in fiscal year 2021 are based on a state contribution of 1.25 percent of payroll for each fiscal year, estimated.

The retirement system shall notify the Legislative Budget Board, the Governor, and its membership prior to establishing premiums, regarding the impact such premiums will have on retiree costs for TRS-Care insurance.

It is the intent of the Legislature that the Teacher Retirement System control the cost of the retiree insurance program by not providing rate increases to health care providers and pharmacy providers during the 2020-21 biennium without providing 60 days notice to the Legislative Budget Board.

Contingent on the enactment of Senate Bill 3, or similar legislation relating to additional funding to school districts for classroom teacher and librarian salaries, by the Eighty-sixth Legislature, Regular Session, in addition to amounts appropriated above in Strategy A.2.1, Retiree Health – Statutory Funds, TRS is appropriated \$22,584,588 in General Revenue Funds in fiscal year 2020 and \$22,869,731 in General Revenue Funds in fiscal year 2021, estimated, to provide statutorily required state contributions to TRS-Care for additional public education payroll amounts, pursuant to the legislation.